IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

Income Tax Appeal No. 60 of 1999
The Commissioner of Income Tax, Kolhapur .. Appellant
V/s.
The Deogad Urban Co-operative Bank Ltd. .. Respondent

WITH
Income Tax Appeal No. 64 of 1999
The Commissioner of Income Tax, Kolhapur .. Appellant
V/s.
The Deogad Urban Co-operative Bank Ltd. .. Respondent

Dr. P. Daniel with Mr. G. Hariharan for the Appellant
None present for the Respondent

CORAM : DR. S. RADHAKRISHNAN &
J.H. BHATIA, JJ.
DATED : 09.08.2005.

P.C.:-

1. Heard the learned counsel for the Appellant. None present for the Respondent. In the above, the following substantial question of law has been raised:-

> "Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the interest earned on the deposits in Indira Vikas Patra at the instance of the State Government is covered under the banking business activities, when, this income is rightly assessed to Income Tax under the head "Income from other sources" as per the provisions of Section 56 of the Income Tax Act, 1961?"

2. Dr. Daniel, the learned counsel for the Appellant fairly states that the above question has already been decided against the Revenue and in favour of the Assessee in two judgments of the Supreme Court in **CIT v. Karnataka State Co-op. Apex Bank Ltd. 251 ITR 194 (SC)** and **Mehsana District Central Co-op. Bank Ltd. v. ITO 251 ITR 522 (SC)** and also a Division Bench judgment

of our High Court in **CIT v. Ratnagiri Dist. Central Co-op. Bank and CIT v. Pen Co-op. Urban Bank Ltd. (2002) 254 ITR 697 (Bom)**. In view thereof, the Appeals stand dismissed.

(DR. S. RADHAKRISHNAN, J.)

(J.H. BHATIA, J.)